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SUBJECT: THE NETHERLANDS AT A CROSSROADS, SAYS HEAD OF  
SOCIAL-ECONOMIC COUNCIL

#### SUMMARY

1. The Netherlands is at a crucial point in its history, torn between its traditional openness and tolerance and a newer, more inward-looking anxiety based on fear. So said Herman Wijffels, chair of the Social-Economic Council (SER), who told the Charge that decades of overly generous social insurance had dulled work incentives and made large numbers of working-age adults dependent on the state for support. Similarly, the Dutch have 'spoiled a generation' of Muslim immigrants by providing financial support without requiring them to move towards self-sufficiency. But, but a consensus is developing, he added, that will prevent the same mistake being made with the new generation of Netherlands-born Muslims. The SER is an official body composed of business, labor, and university leaders responsible for making policy recommendations and building consensus among relevant stakeholders; it is already engaged on developing policies for the government to be elected in 2007. End Summary

End summary.

#### Crucial point in Dutch history

2. In a November 28 introductory call by the Charge focused on the key challenges now facing Dutch society, SER chairman Herman Wijffels said that the Netherlands is now at a crucial point in its history. Can it remain the open and entrepreneurial country it has been for the past few centuries, Wijffels asked, or will it turn inward and isolationist, driven by fear of loss and a rejection of change? Wijffels, formerly the chairman of one of the Netherlands' largest banks, said that the world is changing faster than ever, and mostly for the better, with millions of people in the developing world escaping poverty. New technologies, such as in the life sciences or the development of renewable energy, also offer exciting opportunities. But for many in the Netherlands view, these changes are seen not as opportunities but as threats to their settled and comfortable way of life.

3. Elaborating, Wijffels noted that, as a member of the Prime Minister's Innovation Platform, he had commissioned a study that showed that total Dutch investment in education and R&D was around six to eight percent of GDP, below the EU average of 8-9 percent and the ten percent-plus ratios of such countries as Sweden, Korea, and the U.S. On the other hand, the Dutch government, through a generous system of disability benefits, long-term unemployment compensation, and other measures allowed some two million of 10 million working age adults (out of a total 20-64 population of roughly 10 million) to be economically inactive. By fostering such dependency on the state, and by not sufficiently investing in knowledge and training, the Dutch government had hindered both the ability and motivation of the Dutch to compete in today's increasingly competitive world economy.

4. Asked by the Charge about the social-economic situation of the Netherlands' 1-million-strong Muslim community, Wijffels made a similar indictment of past government policy. The Netherlands had made two serious mistakes with regard to immigration, he said. First, it had allowed in simply too many immigrants, and then, instead of helping them immigrants to integrate themselves into Dutch society, the government had simply provided financial support. While it is probably too late to do something to help older immigrants, the same mistake cannot happen again with younger people, those in school now and those just coming into the labor force. A much better and more integrated system of academic training and practical work experience is needed.

5. When the Charge wondered if Dutch government policy would support such a new approach, Wijffels stated firmly was quite firm in stating that a political consensus is developing in favor of such an intensified program of immigrant integration, a consensus that would be reflected in the program of the government to be elected in 2007, no

matter who wins. The goal of such a program would be to provide both economic and cultural -- providing non-western immigrants with the opportunities and tools needed for them to make constructive contributions to society, as well as creating an environment in which non-western communities could maintain their distinctive cultures provided they respect at the basic norms of Dutch society are respected.

Comment

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16. Dutch political culture is strongly consensus-based; Wijffels' SER's official role is to bring together key stakeholders to discuss, negotiate, and forge the political backing for policy recommendations presented to the government. Wijffels' firm assurance that a consensus is developing that will lead to a much more active and ambitious program of immigrant integration regardless of who wins the 2007 parliamentary election is thus a hopeful sign that the Dutch political system is finally coming to grips with the long-ignored issue of Muslim integration, the country's gravestop domestic social problem.